

CHAPTER 175
APPLICATION REVIEW AND APPROVAL PROCEDURES

261—175.1(15) Applicability. This chapter shall apply to the programs listed in rule 261—173.1(15). This chapter describes the application review and approval procedures and the role of the advisory groups or board committees and identifies the final decision maker for each program.

261—175.2(15) Application procedures for programs administered by the department.

175.2(1) IVF(FES). Beginning July 1, 2003, the grow Iowa values board approved direct funding for projects from the IVF(FES) and allocated IVF(FES) moneys to existing department programs (CEBA, VAAPFAP, EVA, TSBFAP). After June 16, 2004, IVF(FES) was no longer a separate program administered by the department; it became a funding source for existing department-administered programs. Moneys from IVF(FES) are used to provide financial assistance to the programs described in rule 261—173.1(15). If a project will be funded by IVF(FES), the department will review an application to ensure that the project meets the requirements for the programs through which an applicant is applying.

175.2(2) IVF (2005). IVF (2005) is not a separate program administered by the department; it is a funding source for existing department-administered programs. Moneys from IVF (2005) are used to provide financial assistance to the programs described in rule 261—173.1(15). If a project will be funded by IVF (2005), the department will first review the application to ensure that the IVF (2005) wage requirement is met. The department will then review the application to ensure that the project also meets all the requirements for the programs through which the applicant is applying.

175.2(3) Projects funded by program funds (“old money”). Prior to July 1, 2003, direct financial assistance programs administered by the department were funded through state appropriations. After the creation of IVF(FES) and IVF (2005), these programs no longer received separate state appropriations. The department’s financial assistance programs identified in rule 261—173.1(15) were funded with IVF(FES) and IVF (2005) moneys. Moneys remaining, recaptured or repaid to these program funds remain available for awarding to projects. If a project will be funded by program funds, the department will review an application to ensure that it meets the requirements for the programs through which an applicant is applying.

175.2(4) Tax credit programs. The department administers tax credit programs that provide tax incentives for approved projects. The department will review an application to ensure that the project meets the requirements for the tax credit programs through which an applicant is applying.

175.2(5) EDSA programs. The department administers the federal CDBG program. EDSA is the job creation component of this federal funding source. The department will review an application to ensure that the project meets the requirements for the tax credit programs through which an applicant is applying.

175.2(6) Application required. A business or community seeking financial assistance or tax credit benefits from a department program shall submit an application to the department. The applicant shall comply with the department’s application procedures, processes, rules, and wage and benefit requirements for that program and its funding source. Application forms and directions for completing the forms are available on line at the department’s Web site at www.iowalifechanging.com or at the department’s offices located at 200 East Grand Avenue, Des Moines, Iowa 50309.

175.2(7) Additional consideration for projects funded with IVF (2005) moneys. In reviewing applications for financial assistance, the board, the department and the due diligence committee shall consider providing assistance to projects that increase value-added income to individuals or organizations involved in agricultural business or biotechnology projects. Such projects need not create jobs specific to the project site; however, these projects must foster the knowledge and creativity necessary to promote the state’s agricultural economy and to increase employment in urban and rural areas as a result. In providing financial assistance from the fund, the board shall, whenever possible, coordinate the assistance with other department programs.

175.2(8) Applicant's past or current performance. If an applicant has received a prior award(s) from the department, the department and board will take into consideration the applicant's past or current performance under the prior award(s).

261—175.3(15) Review and approval of applications.

175.3(1) Staff review. Applications received by the department will be reviewed by program staff to ensure that documentation of minimum program eligibility requirements has been submitted by the applicant. Complete applications will be forwarded to the appropriate decision maker for action.

175.3(2) Negotiations. Department staff may negotiate with the applicant concerning dollar amounts, terms, collateral requirements, conditions of award, or any other elements of the project. The board or director may offer an award in a lesser amount or that is structured in a manner different from that requested. Meeting minimum eligibility requirements does not guarantee that assistance will be offered or provided in the manner sought by the applicant.

175.3(3) Approval procedures. Application approval procedures shall comply with statutory requirements for the program or funding source and applicable program rules. The board shall approve all projects or activities funded through IVF (2005), CEBA projects, large HQJC projects (over 50 jobs and a \$10 million investment), and brownfield projects. The director shall approve all other projects or activities. The following paragraphs describe the review and approval processes, by funding source and program.

a. Award approval procedures—IVF (2005). The approval process for projects that are funded with IVF (2005) moneys is as follows:

Funding Source: <u>IVF (2005)</u>		Role of Advisory Group	Final Decision Maker
CEBA:	Small business gap financing component	Due Diligence Committee recommendation	Iowa Economic Development Board
	New business opportunities and new product development components	Due Diligence Committee recommendation	Iowa Economic Development Board
	Venture project component	Due Diligence Committee recommendation	Iowa Economic Development Board
	Modernization project component	Due Diligence Committee recommendation	Iowa Economic Development Board
	Case management and entrepreneurial assistance	Due Diligence Committee recommendation	Iowa Economic Development Board
VAAPFAP		APAC recommendation, then Due Diligence Committee recommendation	Iowa Economic Development Board
PIAP		Due Diligence Committee recommendation	Iowa Economic Development Board
EVA		Due Diligence Committee recommendation	Iowa Economic Development Board
LCG		Loan & Credit Guarantee Committee recommendation	Iowa Economic Development Board
TSBFAP		TSB Financial Assistance Board recommendation, then Due Diligence Committee recommendation	Iowa Economic Development Board

b. Award approval procedures—IVF(FES) or program funds ("old money"). The approval process for projects that are funded with IVF(FES) through the following programs or directly from available program fund moneys is as follows:

Funding Source: <u>IVF(FES) or Program Funds</u> (“old money”)		Role of Advisory Group	Final Decision Maker
CEBA:	Small business gap financing component	Due Diligence Committee recommendation	Iowa Economic Development Board
	New business opportunities and new product development components	Due Diligence Committee recommendation	Iowa Economic Development Board
	Venture project component (over \$100,000)	Due Diligence Committee recommendation	Iowa Economic Development Board
	Venture project component (up to \$100,000)		IDED Director
	Modernization project component (over \$250,000)	Due Diligence Committee recommendation	Iowa Economic Development Board
	Modernization project component (up to \$250,000)		IDED Director
	Case management and entrepreneurial assistance (over \$25,000)		IDED Director
	Case management and entrepreneurial assistance (up to \$25,000)		IDED Division Administrator, Business Development Division
VAAPFAP		APAC recommendation	IDED Director
PIAP:	Up to \$1M award		IDED Director
	Over \$1M	IDED Director to consult with Iowa Economic Development Board	IDED Director
EVA			IDED Director
Brownfields		Brownfield Advisory Council recommendation	Iowa Economic Development Board
TSBFAP		Targeted Small Business Advisory Committee recommendation	IDED Director

c. *Award approval procedures—EDSA.* The approval process for projects that are funded with EDSA moneys is as follows:

Program Source: <u>CDBG</u>	Role of Advisory Group	Final Decision Maker
EDSA		IDED Director

d. *Award approval procedures—EZ and HQJC.* The approval process for tax credit projects is as follows:

Tax Credit Programs	Role of Advisory Group	Final Decision Maker
EZ		IDED Director
HQJC (if less than 50 jobs and \$10M investment)		IDED Director
HQJC (if more than 50 jobs and \$10M investment)	Due Diligence Committee recommendation	Iowa Economic Development Board

These rules are intended to implement Iowa Code chapters 15, 15E and 15G.

[Filed emergency 6/15/07—published 7/4/07, effective 6/15/07]

[Filed 8/22/07, Notice 7/4/07—published 9/26/07, effective 10/31/07]